



Department of Medical Assistance Services  
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<http://www.dmas.state.va.us>

# MEDICAID MEMO

**TO:** All Fee for Service Providers Participating in the Virginia Medical Assistance Program

**FROM:** Cynthia B. Jones, Director  
Department of Medical Assistance Services (DMAS)

**MEMO:** Special

**DATE:** 5/20/2014

**SUBJECT:** ICD-10 Fee for Service — Testing

The purpose of this memorandum is to inform providers that the Virginia Department of Medical Assistance Services (DMAS) will begin accepting claims with ICD-10 diagnosis and procedure codes starting with claims with dates of service on or after October 1, 2015.

On April 1, 2014, the Protecting Access to Medicare Act of 2014 (PAMA) (Pub. L. No. 113-93) was enacted, which prohibited the Secretary from adopting ICD-10 prior to October 1, 2015. Accordingly, the U.S. Department of Health and Human Services expects to release an interim final rule in the near future that will include a new compliance date requiring the use of ICD-10 beginning October 1, 2015. The rule will also require HIPAA covered entities to continue to use ICD-9-CM through September 30, 2015.

DMAS ICD-10 edits and correct use of date spans are based on the CMS Transmittal 950 which can be found at the following link on the CMS website:

[www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R950OTN.pdf](http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R950OTN.pdf).

To prepare for this transition, DMAS will perform ICD-10 testing with fee for service providers in several phases.

Beta Testing took place with selected providers in March and April 2014 and has been completed. Trading Partner Testing Phase I started in mid-April 2014 and will run through the end of June 2014. Trading Partner Testing Phase II will start on July 1, 2015 and run through the end of August 2015.

All providers are strongly encouraged to test with DMAS during one of the Trading Partner Testing periods to ensure that claims will be processed correctly and payments generated as expected when the ICD-10 codes go into effect on 10/1/2015.

## **PREPARATION FOR TESTING:**

To prepare for testing, please reach out to your system support team or software vendor to determine when your system will be ready to test ICD-10 claims. If your claims are sent to DMAS through a clearinghouse, please contact your clearinghouse vendor and ask them to coordinate the testing effort with Xerox, the DMAS Fiscal Agent.

DMAS recommends testing with claims that have been natively coded in ICD-10 using actual medical records as opposed to having your system staff convert claims from ICD-9 to ICD-10 for testing purposes. DMAS plans to perform end-to-end testing in order to simulate production processing as closely as possible,

starting with the receipt and processing of test claims all the way through the MMIS and the issuance of HIPAA 835 electronic remittance test transactions to providers.

**SUGGESTIONS FOR CLAIMS TO TEST:**

DMAS ICD-10 date edits are based on CMS Transmittal 950 which can be found at the following link on the CMS website:

[www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R950OTN.pdf](http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R950OTN.pdf).

Providers should plan to test both ICD-9 and ICD-10 claims to validate that they will be processed as expected. Please note that a single claim cannot contain both ICD-9 codes and ICD-10 codes.

Create test claims with dates of service before, on, and after the compliance date. Note: Claims with dates of service prior to the ICD-10 compliance date must be coded with ICD-9 and claims with dates of service on or after the compliance date must be coded with ICD-10. However, there are certain special instructions outlined in CMS Transmittal 950 that provides instructions by Bill Type and Facility Type for billing services that span the ICD-10 compliance date.

**For Trading Partner Testing Phase I testing purposes only**, DMAS will be using 03/01/2014 as the **TEST** ICD-10 compliance date.

Here are several testing scenarios recommended by DMAS, CMS and other industry standards workgroups for your ICD-10 testing:

- Test both ICD-9 and ICD-10 claims
- Test claims with dates of service before, on, and after the compliance date (**Note:** when testing with DMAS assume a **TEST** compliance date of March 1, 2014)
- Test procedures that are subject to service limit edits
- Test procedures that are subject to age/gender restrictions
- Test a sample of your most frequently coded procedures and/or conditions
- Test a sample of infrequently coded procedures and/or conditions
- Test frequently occurring medical conditions including co-morbidities
- Test clinical episodes with high cost or high revenue impact
- Test diagnoses with high complexity of business execution, *i.e.* multiple physicians, differing locations, repeat transfers between acute care and rehab units, and fluctuations in services (outpatient ambulatory to inpatient)
- Test claims that have specific DMAS business rules such as Transplants, Sterilizations, Hysterectomy, Plan First, and FAMIS
- Test Hospital readmissions and implied transfers
- Test Crossovers, Medicare Part A and Part B

**TESTING INFORMATION AND FAQs:**

DMAS has prepared detailed testing instructions for Trading Partner Testing Phase I. For Trading Partner Testing Phase II, DMAS will provide additional guidance on test dates through FAQ updates in 2015.

On 5/19/2014 ICD-10 Testing Instructions, Frequently Asked Questions, Special Instructions, and Training Information will be posted on the Virginia Medicaid Web Portal: [www.virginiamedicaid.dmas.virginia.gov](http://www.virginiamedicaid.dmas.virginia.gov). To access this information, click the Provider Resources tab, and look for ICD-10 in the dropdown menu.